

**OHMVR COMMISSION MEETING  
Kings Beach, CA 96143****September 26, 2014****STAFF REPORT:** FY 2014/2015 Budget Update**STAFF:** Michelle Rochon, Associate Governmental Program Analyst**SUBJECT:** OHMVR Division 2014/2015 Budget

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**Summary**

The Budget Act of 2014 was signed by Governor Jerry Brown on June 20, 2014. The Budget plan would reduce the wall of debt to less than \$5 billion. The OHMVR Division has been appropriated \$67.357 million for Support, \$26 million for Grants and Local Assistance, and \$9.381 million for Capital Outlay. The support appropriation includes funding for three budget change proposals for the new San Andreas District. (See attached Budget Flowchart.)

**Discussion**

The Budget represents a balanced multiyear plan that maintains over a \$1 billion reserve and pays down budgetary debt. Loans from special funds, including the OHV Trust Fund, would be repaid by the end of the 2016/17 fiscal year.

**Loans** – Upon order of the Department of Finance, the following loans to the General Fund have projected repayment dates.

Date Borrowed	Loan Amount	Projected Repayment Date
FY 2008/09	\$90,000,000	FY 2016/17
FY 2009/10	\$22,000,000	Not specified
FY 2010/11	\$21,000,000	FY 2015/16

See attached “OHV Trust Fund Loans, Transfers, and Redirects.”

**OHMVR Division Merger – New San Andreas District**

As of July 1, 2014, the Hollister Hills and Hungry Valley Districts have been merged to create the new San Andreas District. The district will include the new properties known as Onyx Ranch. The Budget includes funding for personnel and equipment to support the new district particularly for the Hollister Hills trails maintenance, Hungry Valley Quail Canyon Special Use Area, and Onyx Properties development as well as the Hungry Valley SVRA General Plan Update/EIR.

**Commission Action**

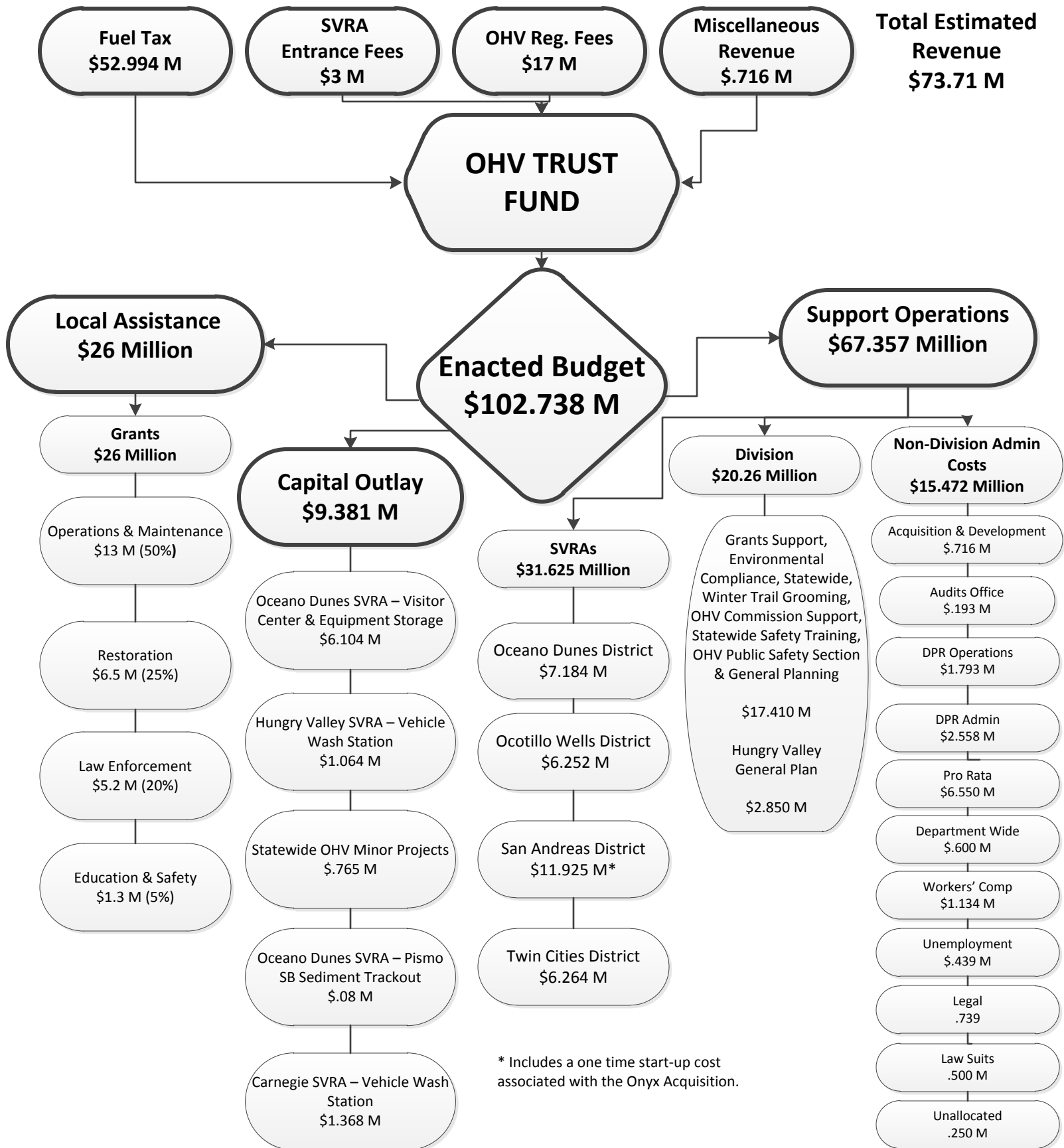
For information only.

**Attachments**

Budget Flowchart

OHV Trust Fund Loans, Transfers, and Redirects

# Off-Highway Motor Vehicle Recreation Division Enacted Budget as of June 30, 2014 FY 2014-2015



## OHV Trust Fund Loans, Transfers, and Redirects

FY Action Occurs	Amount and Type	Legislative Language (reference)
1971/72	Creation of the Off-Highway Vehicle Fund  Sections 38000-38300 California Vehicle Code	<p>Section 38000 of the California Vehicle Code creating the Off-Highway Motor Vehicle Law.</p> <p>38000. This division may be cited as the Chappie-Z'berg Off-Highwat Motor Vehicle Law of 1971.</p> <p>38001. (a) Except as otherwise provided, this division applies to off-highway motor vehicles, as defined in Section 38006, on lands, other than a highway, that are open and accessible to the public, including any land acquired, developed, operated, or maintained, in whole or in part, with money from the Off-Highway Vehicle Trust Fund, except private lands under the immediate control of the owner or his or her agent where permission is required and has been granted to operate a motor vehicle. For purposes of this division, the term "highway" does not include fire trails, logging roads, service roads regardless of surface composition, or other roughly graded trails and roads upon which vehicular travel by the public is permitted.</p> <p>(AB 2342, Chapter 1816, Statutes 1971)</p>
1994/95	OHV Fund change to OHV Trust Fund	<p>“An act to amend Sections 5090.06 and 5090.61 of the Public Resources Code, to amend Sections 8352.6 and 8352.7 of the Revenue and Taxation Code, and to amend Sections 38225 and 38235 of, and to add Section 38225.4 to, the Vehicle Code, relating to vehicles.”</p> <p>SEC. 5. Section 38225 of the California Vehicle Code is amended to read:</p> <p>38225 (d) Any money temporarily transferred by the Legislature from the Off-Highway Vehicle Trust Fund to the General Fund shall be reimbursed, without interest, by the Legislature within two fiscal years of the transfer.</p> <p>(AB 3717, Chapter 1004, Statutes 1994)</p>
2008/09	<p>\$90 million loan to General Fund</p> <p><b>DUE:</b> June 30, 2013</p>	<p>SEC. 17. Item 3790-011-0263 is added to Section 2.00 of the Budget Act of 2008, to read:</p> <p>3790-011-0263 – For transfer by the Controller, upon order of the Director of Finance, from the Off-Highway Vehicle Trust Fund to the General Fund ... (90,000,000)</p> <p>Provisions:</p> <ol style="list-style-type: none"> <li>1. The amount transferred in this item is a loan to the General Fund. The repayment shall be made so as to ensure that the programs supported by the Off-Highway Vehicle Trust Fund are not adversely affected by the loan, but no later than June 30, 2013.</li> </ol> <p>(SBX3_2, Chapter 2, Statutes 2009)</p>

FY Action Occurs	Amount and Type	Legislative Language (reference)
	<b>DUE</b> date extended to June 30, 2017	3790-401 – Notwithstanding Provision 1 of Item 3790-011-0263, Budget Act of 2008, as added by Chapter 2 of the 2009-10 Third Extraordinary Session, and amended by item 3790-401, Budget Act of 2012 (Chs.21 and 29, Stats. 2012), the \$90,000,000 loan to the General Fund will be repaid beginning in the 2016-17 fiscal year upon order of the Director of Finance. (SB 852, Chapter 25, Statutes of 2014)
2009/10	\$22 million loan to General Fund <b>DUE:</b> June 30, 2012* *VC 38225(d). Any money temporarily transferred by the Legislature from the Off-Highway Vehicle Trust Fund to the General Fund shall be reimbursed, without interest, by the Legislature within two fiscal years of the transfer.	SEC. 227. Item 3790-011-0263 is added to Section 2.00 of the Budget Act of 2009, to read: 3790-011-0263 – For transfer by the Controller, upon order of the Director of Finance, from the Off-Highway Vehicle Trust fund to the General Fund ... (22,000,000) Provisions: 1. The amount transferred in this item is a loan to the General Fund. (ABX4, Chapter 1, Statutes of 2010)
2010/11	\$21 million loan to General Fund <b>DUE:</b> June 30, 2014	SEC. 12. Item 3790-011-0263 is added to Section 2.00 of the Budget Act of 2010, to read: 3790-011-0263 – For transfer by the Controller, upon order of the Director of Finance, from the Off-Highway Vehicle Trust Fund to the General Fund as a loan ... (21,000,000) Provisions: 1. The Director of Finance may transfer up to \$21,000,000 as a loan to the General Fund, which shall be repaid by June 30, 2014. The Director of Finance shall order the repayment of all or a portion of this loan if he or she determines that either of the following circumstances exists: (a) the fund or account from which the loan was made has a need for the moneys, or (b) there is not longer a need for the moneys in the fund or account that received the loan. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. (SB 84, Chapter 13, Statutes of 2011)
	<b>DUE</b> date extended to June 30, 2016	3790-401--Notwithstanding Provision 1 of Item 3790-011-0263, Budget Act of 2010, as added by Chapter 13 of the Statutes of 2011, the \$21,000,000 loan to the General Fund will be repaid in the 2015-16 fiscal year upon order of the Director of Finance. (AB 110, Chapter 20, Statutes of 2013)

FY Action Occurs	Amount and Type	Legislative Language (reference)
2011/12	<p>\$10 million redirect from MVFA to General Fund</p> <p>Ongoing – No Sunset Date.</p>	<p>SEC. 27. Section 8352.6 of the Revenue and Taxation Code is amended to read:</p> <p>8352.6. (a)(1) Subject to Section 8352.1, on the first day of every month, there shall be transferred from moneys deposited to the credit of the Motor Vehicle Fuel Account to the Off-Highway Vehicle Trust Fund created by Section 38225 of the Vehicle Code an amount attributable to taxes imposed upon distributions of motor vehicle fuel used in the operation of motor vehicles off highway and for which a refund has not been claimed. Transfers made pursuant to this section shall be made prior to transfers pursuant to Section 8352.2.</p> <p>(2) The Controller shall withhold eight hundred thirty-three thousand dollars (\$833,000) from this monthly transfer, and transfer that amount to the General Fund.</p> <p>(AB95, Chapter 2, Statutes of 2011)</p>
2012/13	<p>\$7 million redirect from MVFA to SPRF</p> <p>Transfer Complete December 2012</p>	<p>I am signing Senate Bill 1018 with the following objection:</p> <p>Section 127. I am reducing the amount for transfer from the Motor Vehicle Fuel Account to the State Parks and Recreation Fund from \$21,000,000 to \$7,000,000. The remaining \$14,000,000 will be transferred to the Off-Highway Vehicle Trust Fund. I am sustaining \$7,000,000 of the one-time transfer and, in conjunction with the other amounts I am sustaining for the Department of Parks and Recreation (Department), these amounts will provide the funding needed to allow the Department to address its most critical operating needs.</p> <p>EDMUND G. BROWN JR.</p> <p>Original language from SB1018:</p> <p>SEC. 127. (a) The Controller shall transfer the sum of twenty-one million dollars (\$21,000,000) on July 1, 2012, to the Department of Parks and Recreation Fund from moneys in the Motor Vehicle Fuel Account in the State Transportation fund that would otherwise be transferred into the Off-Highway Vehicle Trust Fund pursuant to Section 8352.6 of the Revenue and Taxation Code. Moneys received from off-highway vehicle registration fees shall not be impacted by this section.</p> <p>(b) It is the intent of the Legislature that the Off-Highway Vehicle Trust Fund appropriations are not affected by the transfer in subdivision (a).</p> <p>(SB1018, Chapter 39, Statutes 2012)</p>

FY Action Occurs	Amount and Type	Legislative Language (reference)
2012/13	<p>Fuel Tax Swap 2010</p> <p>This has no fiscal impact on the OHMVR Division. This action reverses unintended revenue previously distributed to the OHV Trust Fund.</p>	<p>“An act to amend Section 10140 of the Public Contract Code, to amend Sections 8352.3, 8352.4, 8352.5, and 8352.6 of the Revenue and Taxation Code, to amend Section 2103 of the Streets and Highways Code, and to amend Section 9400.4 of, and to add Section 42272 to, the Vehicle Code, relating to transportation, and making an appropriation therefor, to take effect immediately.”</p> <p>SEC. 5. Section 8352.6 of the Revenue and Taxation Code is amended to read:</p> <p>8352.6. (a) (1) Subject to Section 8352.1, and except as otherwise provided in paragraphs (2) and (3), on the first day of every month, there shall be transferred from moneys deposited to the credit of the Motor Vehicle Fuel Account to the Off-Highway Vehicle Trust Fund created by Section 38225 of the Vehicle Code an amount attributable to taxes imposed upon distributions of motor vehicle fuel used in the operation of motor vehicles off highway and for which a refund has not been claimed. Transfers made pursuant to this section shall be made prior to transfers pursuant to Section 8352.2.</p> <p>(2) From July 1, 2012, until June 30, 2015, inclusive, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and Section 7361.1 and otherwise to be deposited in the Off-Highway Vehicle Trust Fund pursuant to paragraph (1) shall instead be transferred to the General Fund. The revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and Section 7361.1 that were deposited in the Off-Highway Vehicle Trust Fund in the 2010-11 and 2011-12 fiscal years shall be transferred to the General Fund. Commencing July 1, 2015, the revenues attributable to the taxes imposed pursuant to subdivision (b) of Section 7360 and Section 7361.1 and otherwise to be deposited in the Off-Highway Vehicle Trust Fund pursuant to paragraph (1) shall instead be transferred to the Highway Users Tax Account in the State Transportation Fund, for distribution pursuant to subdivision (a) of Section 2103 of the Streets and Highways Code.</p> <p>(3) The Controller shall withhold eight hundred thirty-three thousand dollars (\$833,000) from the monthly transfer to the Off-Highway Vehicle Trust Fund pursuant to paragraph (1), and transfer that amount to the General Fund.</p> <p>(b) The amount transferred to the Off-Highway Vehicle Trust Fund pursuant to paragraph (1) of subdivision (a), as a percentage of the Motor Vehicle Fuel Account, shall be equal to the percentage transferred in the 2006-07 fiscal year. Every five years, starting in the 2013-14 fiscal year, the percentage transferred may be adjusted by the Department of Transportation in cooperation with the Department of Parks and Recreation and the Department of Motor Vehicles. Adjustments shall be based on, but not limited to, the changes in the following factors since the 2006-07 fiscal year or the last adjustment, whichever is more recent:</p>

FY Action Occurs	Amount and Type	Legislative Language (reference)
		<p>(1) The number of vehicles registered as off-highway motor vehicles as required by Division 16.5 (commencing with Section 38000) of the Vehicle Code.</p> <p>(2) The number of registered street-legal vehicles that are anticipated to be used off highway, including four-wheel drive vehicles, all-wheel drive vehicles, and dual-sport motorcycles.</p> <p>(3) Attendance at the state vehicular recreation areas.</p> <p>(4) Off-highway recreation use on federal lands as indicated by the United States Forest Service's National Visitor Use Monitoring and the United States Bureau of Land Management's Recreation Management Information System.</p> <p>(c) It is the intent of the Legislature that transfers from the Motor Vehicle Fuel Account to the Off-Highway Vehicle Trust Fund should reflect the full range of motorized vehicle use off highway for both motorized recreation and motorized off-road access to other recreation opportunities. Therefore, the Legislature finds that the fuel tax baseline established in subdivision (b), attributable to off-highway estimates of use as of the 2006-07 fiscal year, accounts for the three categories of vehicles that have been found over the years to be users of fuel for off-highway motorized recreation or motorized access to non-motorized recreational pursuits. These three categories are registered off-highway motorized vehicles, registered street-legal motorized vehicles used off highway, and unregistered off-highway motorized vehicles.</p> <p>(d) It is the intent of the Legislature that the off-highway motor vehicle recreational use to be determined by the Department of Transportation pursuant to paragraph (2) of subdivision (b) be that usage by vehicles subject to registration under Division 3 (commencing with Section 4000) of the Vehicle Code, for recreation or the pursuit of recreation on surfaces where the use of vehicles registered under Division 16.5 (commencing with Section 38000) of the Vehicle Code may occur.</p> <p>(AB 1465, Chapter 22, Statutes 2012)</p>